

Franchise Tax Board**NO ANALYSIS REQUIRED**Author: Cardenas Analyst: Darrine Distefano Bill Number: AB 83Related Bills: See Prior Analysis Telephone: 845-6458 Amended Date: 08-16-99Attorney: Patrick Kusiak Sponsor: _____**SUBJECT:** Local Business License, Permit, Taxes and Registration Fees/Prohibit Imposing On Teleworkers

- _____ ANALYSIS NOT REQUIRED of this bill -- Not within scope of responsibility of this department.
- _____ TECHNICAL BILL -- No program or fiscal changes to existing program.
- X BILL AS AMENDED NO LONGER WITHIN SCOPE of responsibility or program of the department.
- _____ TECHNICAL AMENDMENT - No change in previously submitted analysis required. Approved position of prior Analysis is _____.
- _____ MINOR AMENDMENT - No change in previously submitted analysis required. Approved position of prior analysis is _____.
- _____ MINOR AMENDMENT - No change in approved position of _____. See comments below.
- _____ OTHER - See comments below.

COMMENTS:

Under the Business and Professions Code, this bill would prohibit a city within a county of the first class (currently only Los Angeles) from requiring that a person who is a teleworker obtain a business license or permit or pay a business tax or registration fee solely because that person receives income for work performed at or from the person's place of residence.

The August 16, 1999, amendment added new legislative intent language, made a number of technical changes, and defined the various terms used in this bill. The amendment would provide that a "teleworker" is a person who receives a payment of a salary, wage, or fee from an individual, corporation, association, or partnership for work performed at or from the person's place of residence. The amendment would further define "person" as a director, musician, other creative artist, or writer. As a result, a "teleworker" as defined by this bill would be a director, musician, other creative artist, or writer who receives a salary, wage, or fee for work performed at or from the person's place of residence. The amendment also separated the bill's provision regarding a city's ordinance authority into a different code section.

AB 1105 (Stats. 1999, Ch. 67) removed the requirement that cities which maintain a computerized record-keeping system or which have access to such a system annually furnish the Franchise Tax Board (FTB) with information regarding taxpayers who pay city business license taxes. As a result, beyond the fact that the individuals described above may no longer be claiming business licenses or taxes as income tax deductions, AB 83 would not impact the department's programs and operations.

Board Position:

_____ S	_____ NA	_____ NP
_____ SA	_____ O	<u> X </u> NAR
_____ N	_____ OUA	_____ PENDING

Franchise Tax Board Staff

Date

Darrine Distefano**8/31/1999**